Period	Amount(Rs.)
2002-2003	
January 2003	11.60
February '03	11.70
March '03	11.80
April '03	11.90
May '03	12.00
June 2003	Book Closure

2. US 64 will fully reopen for fresh sales and repurchases at NAV based prices with effect from 1 January 2002. Thereafter, for 3000 units per unitholder covered under measures in paragraph 1 above, the repurchase price would be the higher of the applicable repurchase price under paragraph 1 above or the then prevailing NAV based repurchase price. These 3000 units per unitholder will also be entitled to dividend, as may be declared.

3. The deficit, if any, between the NAV and the applicable repurchase price under paragraph 1 above will be met and so funded that this will prevent any NAV dilution on account of the measures at papagraph 1 above.

4. Adequate liquidity arrangements have been made to ensure that any funds needed for redemption will be available without UTI having to resort to large scale sale of its investments in the market.

Moratorium on sale of US-64 Scheme by UTI

@*33. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Unit Trust of India (UTI) has put a moratorium on the sale and repurchase of all US-64 units from 1st July, 2001;

(b) if so, the reasons therefor;

(c) whether the previous approval of Government was obtained before taking such a momentous decision; and

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@ Question Nos. 23, 33 and 38 were taken together.

(d) what steps Government propose to take to save the small investors who have been left in the lurch as a result of the move?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) and (b) Yes, Sir. UTI announced on 2nd July, 2001 its decision to suspend both sales and repurchases of US-64 units for a period of 6 months upto December 2001. The decision was taken with a view to arresting redemptions and restructuring the scheme.

(c) No, Sir. Under the UTI Act, UTI does not need Government permission for such decisions.

(d) Keeping in view the interest of small investors, Government took the following steps:—

(i) The former Chairman of UTI was asked to step down on 3rd July, 2001. A new Chairman was appointed on 14th July, 2001;

(ii) At Government's suggestion, IDBI has nominated Joint Secretary, Capital Markets Division, Ministry of Finance on the Board of Trustees of UTI;

(iii) Government held meetings with UTI officials. UTI decided on 15th July, 2001 to reopen limited repurchase facility for small investors from 1st August, 2001, details of which are provided in Statement-I *(See* below).

(iv) Government has constituted a three member High Level Committee to conduct an independent enquiry into, *inter-alia,* the investment decisions taken by UTI; and

(v) Separately, the Central Bureau of Investigation is investigating certain investment decisions taken by the former Chairman, UTI and senior UTI officials.

Statement-I

1. All unit holders holding units as on 30th June, 2001 may offer for repurchase upto 3000 units per unitholder at any time during the period from 1st August, 2001 to 31st May, 2003 at the price indicated ereunder or the NAV, whichever is higher.

Period	Amount (Rs.)
2001-2002	
August 2001	10.00
September '01	10.10
October *01	10.20
November '01	10.30
December '01	10.40
January 2002	10.50
February '02	10.60
March '02	10.70
April '02	10.80
May '02	10.90
June 2002	Book Closure
2002-2003	
July 2002 -	11.00
August '02	11.10
September '02	11.20
October '02	11.30
November 02	11.40
December 02	11.50
January 2003	11.60
February 03	11.70
March '03	11.80

2002-2003	(Amount Rs.)
April '03	11.90
May '03	12.00
June 2003	Book Closure

US-64 will fully reopen for fresh sales and repurchases at NAV based prices with effect from 1 January 2002. Thereafter, for 3000 units per unitholder covered under measures in paragraph 1 above, the repurchase price would be the higher of the applicable repurchase price under paragraph 1 above or the then prevailing NAV based repurchase price. These 3000 units per unitholder will also be entitled to dividend, as may be declared.

The deficit, if any, between the NAV and the applicable repurchase price under paragraph 1 above will be met and so funded that this will prevent any NAV dilution on account of the measures at paragraph 1 above.

Adequate liquidity arrangements have been made to ensure that any funds needed for redemption will be available without UTI having to resort to large scale sale of its investments in the market.

Freeze by UTI on Tradings in US-64

@*38. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether UTI has recently decided to freeze all tradings in US-64 for six months.

(b) if so, the reasons therefor;

(c) whether aforesaid decision has created panic among investors who have invested their hard-earned earnings in various UTI

(d) if so, Government's reaction, ministerial accountability and responsibility therefor;

@ Question Nos. 23, 33 and 38 were taken together.